

Company Announcement



Boustead Singapore Limited
(Co. Reg. No. 197501036K)

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Singapore 408942

PROPOSED SCRIP DIVIDEND SCHEME

Singapore, 19 June 2013

1. Introduction

The Board of Directors (the "Directors") of Boustead Singapore Limited (the "Company") is pleased to announce the adoption of a proposed scrip dividend scheme, which will be called the Boustead Singapore Limited Scrip Dividend Scheme (the "Proposed Scrip Dividend Scheme").

The Company will make an application to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the new ordinary shares to be issued, credited as fully paid, pursuant to the Proposed Scrip Dividend Scheme ("New Shares") in due course. An announcement on the outcome of the application will be made at the appropriate time.

Any approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Proposed Scrip Dividend Scheme, the New Shares, the Company or its subsidiaries. The SGX-ST also accepts no responsibility for any statement contained herein.

2. Rationale and Purpose of Proposed Scrip Dividend Scheme

The Proposed Scrip Dividend Scheme, if and when adopted, will allow Shareholders to elect to receive Qualifying Dividends in the form of Shares, credited as fully paid-up, instead of cash. As Shareholders would be given the choice of receiving such dividend payment as cash and/or additional New Shares, Shareholders would thus have greater flexibility in meeting their investment objectives. It will also enable Shareholders to participate in the equity capital of the Company without having to incur costs such as brokerage fees, stamp duty and/or other related costs. In addition, the Company will benefit from the participation by Shareholders in the Proposed Scrip Dividend Scheme as, to the extent that Shareholders elect to receive a Qualifying Dividend in the form of Shares, the cash which would otherwise be payable in respect of a cash dividend may be retained in the Company and used to enlarge its working capital base and/or to fund the growth and expansion of the Company.

3. Summary Terms of Proposed Scrip Dividend Scheme

The following is a summary of the main features of the Proposed Scrip Dividend Scheme, and should be read in conjunction with the full text of the Proposed Scrip Dividend Scheme Statement, which will be set out in the Circular (defined below).

The Proposed Scrip Dividend Scheme provides Shareholders with the option to elect to receive New Shares in lieu of part only or all of the cash amount of any dividend (including any interim, final, special or other dividend or distribution) (the "Dividend") declared on their holding of Shares.

All Members are eligible to participate in the Proposed Scrip Dividend Scheme subject to the restrictions on Overseas Members (Shareholders with registered addresses outside Singapore at the relevant books closure date for a dividend), and except for such other Members or class of Members as the Directors may in their absolute discretion decide.

Members may elect to participate in respect of part only or all of their holding of Shares to which each Notice of Election (as defined below) relates in respect of any Qualifying Dividend (as defined below) and may also make a permanent election to participate in respect of all their holding of Shares to which each Notice of Election relates for all future Qualifying Dividends.

Members receiving more than one Notice of Election may elect to participate in respect of part only or all of their holding of Shares to which one Notice of Election relates and elect not to participate in respect of their holding of Shares to which any other Notice of Election relates. Where a permanent election has been made, participating Members may cancel their participation and withdraw from the Proposed Scrip Dividend Scheme at any time, subject to the giving of the appropriate notice. However, the cancellation of a permanent election by a Member would not preclude him from making a fresh permanent election should he wish to do so at a later date.

The Directors may, in their absolute discretion, determine that the Proposed Scrip Dividend Scheme will apply to any particular dividend (the "Qualifying Dividend"). An announcement will be made by the Company as soon as practicable following the determination by the Directors that the Proposed Scrip Dividend Scheme is to apply to a Qualifying Dividend, and in any event, by no later than the next Market Day (as defined below) immediately following the books closure date in respect of the Qualifying Dividend. Unless the Directors have determined that the Proposed Scrip Dividend Scheme will apply to any Qualifying Dividend, the dividend concerned will be paid in cash to the Members in the usual way.

New Shares allotted and issued under the Proposed Scrip Dividend Scheme will rank *pari passu* in all respects with the Shares then in issue save only as regards to participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Proposed Scrip Dividend Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors shall otherwise specify.

Members participating in the Proposed Scrip Dividend Scheme will receive, at or about each dividend payment date, statements setting out, *inter alia*, the number of New Shares allotted to them under the Proposed Scrip Dividend Scheme.

4. How to Participate

Participation in the Proposed Scrip Dividend Scheme is optional. A Shareholder wishing to receive New Shares in respect of any Qualifying Dividend or to make a permanent election to receive New Shares in respect of all of his future Qualifying Dividends to which a notice of election ("Notice of Election") received

by him relates should complete the Notice of Election and return it to the Company at the address indicated on the Notice of Election or, as the case may be, to The Central Depository (Pte) Limited.

To be effective in respect of any Qualifying Dividend to which a Notice of Election relates, such duly completed Notice of Election must be received by the Company or, as the case may be, The Central Depository (Pte) Limited, no later than the date to be specified by the Directors in respect of that Qualifying Dividend.

5. Note to Shareholders

The Company's Shares are currently traded in board lots of 1,000 Shares. A Shareholder who elects to receive New Shares in lieu of the cash amount of the Qualifying Dividend may receive such New Shares in odd lots. Shareholders who receive odd lots of New Shares and who wish to trade such odd lots on the SGX-ST should do so on the Unit Share Market, which allows trading of odd lots with a minimum of one (1) share.

The attention of Shareholders is drawn to Rule 14 of the Take-over Code. In particular, a Shareholder should note that he may be under an obligation to extend a mandatory offer for the Company, if:-

- a) he acquires, by participating in the Proposed Scrip Dividend Scheme in relation to any Qualifying Dividend, whether by a series of transactions over a period of time or not, Shares which (taken together with Shares held or acquired by him or persons acting in concert with him) carry 30% or more of the voting rights of the Company; or
- b) he, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of the Company and he, or any person acting in concert with him, acquires in any period of six (6) months, additional Shares carrying more than one per cent (1%) of the voting rights of the Company by participating in the Proposed Scrip Dividend Scheme in relation to any Qualifying Dividend or otherwise.

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under, the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a mandatory offer under the Take-over Code as a result of any acquisition of Shares through their participation in the Proposed Scrip Dividend Scheme are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity.

The Company takes no responsibility for the taxation liabilities of Shareholders who choose to participate in the Proposed Scrip Dividend Scheme or the tax consequences of any election made by Shareholders. As individual circumstances and laws may vary considerably, specific taxation advice should be obtained by Shareholders if they are in doubt or if they otherwise require. The Company accepts no responsibility for the correctness or accuracy of any information as to tax liability set out herein.

As a general indication, however, it is understood that as at the date of this announcement, under tax legislation in Singapore, a Shareholder's Singapore tax liability in relation to the dividends received will not alter, nor is there any tax

advantage to be gained, by reason of having elected to participate in the Scrip Dividend Scheme.

6. Approvals for Purposes of Implementing Proposed Scrip Dividend Scheme

Pursuant to the amendments to Rule 862 of the Listing Manual of the SGX-ST which became effective as at 1 January 2011, an announcement must be made by an issuer if it wishes to implement a scrip dividend scheme which enables shareholders to receive dividends by cash in lieu of shares and the approval of shareholders will not be required.

However, to facilitate the implementation of the Proposed Scrip Dividend Scheme, it is proposed that the existing articles of association of the Company be amended to include a new Article 132A to enable Shareholders to elect to receive dividends in the form of shares, credited as fully paid-up, instead of cash (the "Proposed Amendment to Articles"). The new Article 132A, along with full details of the Proposed Scrip Dividend Scheme, will be set out in a circular to be despatched to Shareholders in due course. The Proposed Amendment to Articles will be subject to the approval by the Shareholders of the Company at an extraordinary general meeting to be convened on a date to be determined.

The issue of New Shares under the Proposed Scrip Dividend Scheme will be subject to the approval of the Shareholders, pursuant to Section 161 of the Companies Act, Chapter 50, of Singapore, at the forthcoming annual general meeting of the Company to be convened on a date to be determined.

About Boustead Singapore Limited

Established in 1828, Boustead Singapore Limited is a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group listed on the Singapore Exchange. Focusing on the engineering and development of key infrastructure supporting economic growth in the public and private sectors of emerging markets, our strong suite of Engineering Services comprises: Energy-Related Engineering, Water & Wastewater Engineering and Real Estate Solutions.

Under our Geo-Spatial Technology arm, we provide professional services and exclusively distribute Esri geo-spatial technology – the world’s leading geographic information systems and location intelligence solutions – to major markets across Australia and South East Asia. Our location intelligence solutions are essential to effectively plan, deploy and manage key infrastructure and resources in countries.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, Boustead is ready to serve the world. To date, Boustead has undertaken infrastructure-related projects in 84 countries globally.

In 2008 and 2009, Boustead was recognised in the prestigious Forbes Asia 200 Best Under A Billion as one of the Asia Pacific’s 200 best public-listed corporations under US\$1 billion in revenue. Boustead is also listed on the MSCI Global Small Cap Index for Singapore and the FTSE ST Small Cap Index.

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